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Groups of countries in special situations: Specific actions related to the particular needs and problems of landlocked developing countries: outcome of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation

Letter dated 10 August 2006 from the Permanent Representative of Armenia to the United Nations addressed to the Secretary-General

Over the past few years, Turkey and Azerbaijan have been pushing forward for a politically motivated project aimed at connecting Turkey and Azerbaijan via Georgia in circumvention of the existing extensive network of railroads in the region. The reluctance to make use of the rail links in place and persistence in building a new line designed to bypass the territory of Armenia speaks to the fact that the sole objective of the proposed railroad is to exclude Armenia from participation in regional projects in the South Caucasus, a standing policy of both Azerbaijan and Turkey.

The fact of the matter is that the existing railroad linking Turkey, Armenia, Georgia and Azerbaijan makes the new costly project economically not viable. The proposed project is estimated to cost upwards of $800 million and is expected to take years to construct. Yet the existing line between Gyumri (Armenia) and Kars (Turkey) is in working condition and could become operational in a matter of weeks at very little cost.

The Kars-Gyumri railroad, however, is not being utilized today because of Turkey's and Azerbaijan's unilateral blockade of Armenia's eastern and western borders for over a decade, which resulted in an existing and functional railroad being excluded from the regional transit network.

In political terms, in a conflict-torn region such as the South Caucasus, divisive policies can in no way contribute to the establishment of trust, and confidence-building among the regional actors. In this respect, the proposed railroad project would not enhance the prospects for achieving peace and stability in the

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region. Given the evidently negative impact that could be entailed by the new railroad, Armenia has repeatedly declared its strong opposition to the project.

It comes as no surprise that a recent move by the United States House of Representatives ensures that such divisive projects do not receive United States support. The Export-Import Bank Reauthorization Act of 2006 (H.R. 5068) adopted on 25 July 2006, specifies that the United States would not provide any assistance to the promotion and development of a railroad project sponsored by Azerbaijan and Turkey that would connect three countries of the region and exclude Armenia.

The legislation includes an amendment, which was unanimously approved by the House Financial Services Committee last month. The amendment states that the Export-Import Bank — a federal government agency providing loans, loan guarantees and insurance to support export of United States goods and services to international markets — "shall not guarantee, insure, extend credit or participate in an extension of credit in connection with the development or promotion of any rail connections or railway-related connections that do not traverse or connect with Armenia, and do traverse or connect Baku, Azerbaijan, Tbilisi, Georgia, and Kars Turkey".

Armenia welcomes adoption by the United States House of Representatives of H.R. 5068 and believes that this legislation is a genuine effort to promote confidence among the nations of the South Caucasus region and develop comprehensive regional cooperation.

I should be grateful if you would have the text of the present letter circulated as a document of the sixtieth session of the General Assembly under agenda item 55 (b).

(*Signed*) Armen **Martirosyan**
Ambassador
Permanent Representative